



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-900]

**Diamond Sawblades and Parts Thereof from the People's Republic of China: Final
Determination of Anti-Circumvention Inquiry**

AGENCY: Enforcement and Compliance, International Trade Administration, Department of
Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Diamond Tools
Technology (Thailand) Co., Ltd. (Diamond Tools) is circumventing the antidumping duty order
on diamond sawblades and parts thereof (diamond sawblades) from the People's Republic of
China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL
REGISTER*].

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun, AD/CVD Operations,
Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of
Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-
5760.

SUPPLEMENTARY INFORMATION:

Background

On November 15, 2018, Commerce published the preliminary affirmative determination of circumvention of the antidumping duty order on diamond sawblades from China.¹ Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.² On April 4, 2019³ and May 31, 2019,⁴ respectively, we extended the deadline of the final determination. The revised deadline for the final determination is July 10, 2019.

We received case and rebuttal briefs with respect to the *Preliminary Determination*. We conducted this anti-circumvention inquiry in accordance with section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.225(h).

Scope of the Order

The merchandise subject to the order is diamond sawblades. The diamond sawblades subject to the order are currently classifiable under subheadings 8202 to 8206 of the Harmonized Tariff Schedule of the United States (HTSUS), and may also enter under subheading 6804.21.00. The HTSUS subheadings are provided for convenience and customs purposes. A full description of the scope of the order is contained in the Issues and Decision Memorandum.⁵ The written description is dispositive.

Scope of the Anti-Circumvention Inquiry

¹ See *Diamond Sawblades and Parts Thereof from the People's Republic of China: Preliminary Affirmative Determination of Circumvention*, 83 FR 57425 (November 15, 2018) (*Preliminary Determination*).

² See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

³ See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Extension of Deadline for Final Determination of Anti-Circumvention Inquiry," dated April 4, 2019.

⁴ See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Extension of Deadline for Final Determination of Anti-Circumvention Inquiry," dated May 31, 2019.

⁵ See Memorandum, "Diamond Sawblades and Parts Thereof from the People's Republic of China: Issues and Decision Memorandum for the Final Determination of the Anti-Circumvention Inquiry," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum) at 2-3.

The products covered by this anti-circumvention inquiry are diamond sawblades made with Chinese cores and/or Chinese segments joined in Thailand by Diamond Tools and then subsequently exported from Thailand to the United States.⁶

Methodology

Commerce is conducting this anti-circumvention inquiry in accordance with section 781(b) of the Act and 19 CFR 351.225(h). For a full description of the methodology underlying the Commerce's final determination, *see* the Issues and Decision Memorandum. The Issues and Decision Memorandum is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this inquiry are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as an Appendix. Based on our analysis of the comments received, we made changes to the *Preliminary Determination*.

Final Affirmative Determination

As detailed in the Issues and Decision Memorandum, we determine that diamond sawblades made with Chinese cores and Chinese segments joined in Thailand by Diamond Tools and then subsequently exported from Thailand to the United States are circumventing the antidumping duty order on diamond sawblades from China. Therefore, we determine that it is

⁶ *See Preliminary Determination*, 83 FR at 57425.

appropriate to include this merchandise within the scope of the antidumping duty order and to instruct U.S. Customs and Border Protection (CBP) to continue to suspend any entries of diamond sawblades produced in Thailand by Diamond Tools with Chinese cores and Chinese segments and then subsequently exported from Thailand to the United States.

Final Negative Determination

As detailed in the Issues and Decision Memorandum, we determine that diamond sawblades made with Chinese cores and Thai segments or Chinese segments and Thai cores that are joined in Thailand by Diamond Tools and subsequently exported from Thailand to the United States are not circumventing the antidumping duty order on diamond sawblades from China. Therefore, we are not including this merchandise within the scope of the antidumping duty order. However, as we explain below, we will instruct CBP to continue to suspend any entries of diamond sawblades produced in Thailand by Diamond Tools with either Chinese cores or Chinese segments and then subsequently exported from Thailand to the United States.

Continued Suspension of Liquidation

In accordance with 19 CFR 351.225(l)(3), based on this final determination in this anti-circumvention inquiry, Commerce will direct CBP to suspend liquidation and to require a cash deposit of estimated duties on unliquidated entries of diamond sawblades produced (*i.e.*, assembled or completed) using Chinese cores and Chinese segments by Diamond Tools in Thailand that were entered, or withdrawn from warehouse, for consumption on or after December 1, 2017, the date of initiation of this anti-circumvention inquiry. The suspension of liquidation instructions will remain in effect until further notice. As we explained in the *Preliminary Determination*,⁷ Commerce will instruct CBP to require antidumping duty cash

⁷ *Id.* at 57426.

deposits equal to the rate established for the China-wide entity, *i.e.*, 82.05 percent,⁸ for entries of such merchandise produced by Diamond Tools.

As we explained above, diamond sawblades assembled or completed in Thailand using either Chinese cores and Thai segments or Thai cores and Chinese segments are not circumventing the antidumping duty order. Diamond sawblades assembled or completed in Thailand using both non-Chinese origin cores and non-Chinese origin segments are not subject to this anti-circumvention inquiry. Because Diamond Tools is not currently able to identify diamond sawblades produced with non-Chinese origin cores and/or non-Chinese origin segments,⁹ in the *Preliminary Determination*, Commerce decided not to implement a certification process at the preliminary stage and required cash deposits on all entries of diamond sawblades produced by Diamond Tools in Thailand.¹⁰ We invited parties to comment on this issue in their case briefs but no parties submitted comments on this issue. Therefore, for the final determination, we will not implement a certification process for diamond sawblades already suspended, and will require cash deposits on all entries of diamond sawblades produced by Diamond Tools in Thailand, consistent with the *Preliminary Determination*. However, Diamond Tools may request reconsideration of our denial of the certification process in a future segment of the proceeding, *i.e.*, a changed circumstances review or administrative review.¹¹

Administrative Protective Order

This notice will serve as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information

⁸ See, e.g., *Diamond Sawblades and Parts Thereof from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 64331, 64332 (December 14, 2018).

⁹ See *Preliminary Determination*, 83 FR at 57426.

¹⁰ *Id.*

¹¹ See *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 29164 (June 21, 2019), and accompanying Issues and Decision Memorandum at 22.

disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with section 781(b) of the Act and 19 CFR 351.225(f).

Dated: July 10, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Issues

Comment 1: Mathematical Error

Comment 2: Profit

Comment 3: Qualitative Analysis of the Production Process

Comment 4: The Significance of Laser Welding in the Final Determination

Comment 5: Weighing Five Statutory Criteria in Section 781(b)(2) of the Act

Comment 6: Production of Cores and Segments in China and Thailand

- V. Recommendation

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